DATE: 2/7/96

TO: Jeff Slagle

FROM: Mary Strudwick *M S*

COPY: Louis Schwarz

SUBJECT: May, 1996 Test Mailing for Marlboro Defensive Coupon Model

This is a follow up to your question last Friday about sample size needed for a test mailing from which a Marlboro defensive coupon response model can be developed.

Defensive Coupon Model

A minimum of 10,000 responders for development and validation samples of 5,000 each. Since this group has not been mailed before, and response rates are hard to project, we recommend mailing 100,000 names selected randomly across the Marlboro database per coupon offer. Based on response rates of 25%-36% experienced by other we'll assume a 10% response rate. Further, since there isn't a standard coupon offer, we suggest mailing two different coupon offers that are likely to be used in the future, for a total of 200,000.

Combined Grids

If the intent is to create grids and select mailings from both combined Marlboro and competitive populations based on predicted scores, we recommend mailing a combined group of 100,000 per coupon offer and developing a model that predicts behavior by the combined population as a whole instead. Per our discussion yesterday, the proposed offers are coupon for 1) $2 off a carton and 2) $3 off a carton.

Please let me know if I correctly interpreted your question about combined results and when you'd like to discuss this.

File name: MARLCPMD.DOC